

dence at the crime scene in Sicily. Their help proved to be a crucial factor leading to the recent filing of charges against a large number of suspects.

Director Freeh is also carrying our message of commitment and cooperation to Italian law

enforcement officials. Their sustained and determined assistance has helped American law enforcement officials make real and tangible progress against the Mafia in the United States.

Letter to Congressional Leaders on Trade With Kyrgyzstan *December 9, 1993*

Dear Mr. Speaker: (Dear Mr. President:)

I am writing to inform you of my intent to add Kyrgyzstan to the list of beneficiary developing countries under the Generalized System of Preferences (GSP). The GSP program offers duty-free access to the U.S. market and is authorized by the Trade Act of 1974.

I have carefully considered the criteria identified in sections 501 and 502 of the Trade Act of 1974. In light of these criteria, and particularly Kyrgyzstan's level of development and initiation of economic reforms, I have determined that it is appropriate to extend GSP benefits to Kyrgyzstan.

This notice is submitted in accordance with section 502(a)(1) of the Trade Act of 1974.

Sincerely,

WILLIAM J. CLINTON

NOTE: Identical letters were sent to Thomas S. Foley, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate. This letter was released by the Office of the Press Secretary on December 13. The related proclamation of December 9 is listed in Appendix D at the end of this volume.

Remarks at a Conference on Entitlements in Bryn Mawr, Pennsylvania *December 13, 1993*

Thank you very much. Ladies and gentlemen, it's a pleasure for me to be here. I have looked forward to this conference with great anticipation for some time. I want to thank Congresswoman Margolies-Mezvinsky for getting this together and for inviting me here. I thank President McPherson and this wonderful institution for hosting us. I'm delighted that Speaker Foley and Congressman Penny are here from the Congress, and Senator Kerrey and Senator Wofford, your own Senator, are here to talk about these important issues. I want to also thank all the people who helped to put this conference together and to all the people in our administration who were invited and are here participating. We pretty much shut the town down in Washington today and just sort of came up here to Pennsylvania to talk about entitlements.

This is a very serious subject, worthy of the kind of thoughtful attention that it will be given today. I hope there will be a great national

discussion of the issues that we discuss today, and I hope that this will be the beginning of a debate that will carry through for the next several years.

I ran for President because I thought our Nation was going in the wrong direction economically and that our society was coming apart when it ought to be coming together. I wanted to work hard to create jobs and raise incomes for the vast mass of Americans and to try to bring our country back together by restoring the bonds of family and civility and community, without which we cannot hope to pass the American dream on to the students who are here at Bryn Mawr or the students who will come behind.

To do this, we must all, without regard to party or philosophy, at least agree to face the real problems of this country: 20 years of stagnant wages; 30 years of family decline, concentrated heavily among the poor; 12 years in

which our debt has quadrupled, but investment in our future has lagged, leaving us with twin deficits, a massive budget deficit and a less publicized investment deficit, the gap between what we need to invest to compete and win and what we are receiving in terms of new skills and new opportunities. These things are linked. Creating jobs in growth requires that we bring down both the budget deficit and the investment deficit. High Government deficits keep interest rates high; they crowd out private demands for capital; they take more Government money to service the debt. All this tends to reduce investment, productivity, jobs, and ultimately, living standards.

The deficit increased so dramatically over the last 12 years because of things that happened on the spending side and on the revenue side. Defense increased dramatically until 1987, but it's been coming down since then quite sharply. However, the place of defense, as we'll see later, has been more than overtaken by an explosion in health care costs going up for the Government at roughly 3 times the rate of inflation. Interest on the debt is obviously increased more when interest rates were high than now, but always when the accumulated national debt goes up. And the larger number of poor people in our country has inevitably led to greater spending on programs that are targeted to the poor.

On the revenue side, the tax cut of 1981 wound up being roughly twice the percentage of our income that was originally proposed by President Reagan as the President and the Congress entered into a bidding war. And then in 1986 we adopted indexing, a principle that is clearly fair but reduced the rate of growth of Federal revenues by adjusting people's taxes downward as inflation pushed their incomes upward. And finally, a prolonged period of very slow growth has clearly reduced Government revenues and added to the deficit.

If you look at this chart, you will see that we inherited a deficit that was projected to be actually—when I took office, for the fiscal year that ended at the end of September—above \$300 billion. And it was headed upward. The blue line here is what I found when I became President. It was clear that something had to be done. I asked the Congress to pass the largest deficit reduction package in history. It had \$255 billion in real enforceable spending reductions from hundreds of programs. Now, let's make it clear what you mean.

When you hear the word spending “reductions” or “cuts” in Washington terms, it can mean two things. One is a reduction in the rate of increase in Government spending from the previous 5-year budget, which is still an increase in spending but not as much as it would have been had the new reduction not taken place. The second thing it might mean is what you mean when you say “cut,” which is you spend less than you did before you used the word. *[Laughter]* And it is important to know which one you're talking about. However, both are good in terms of reducing the deficit over a 5-year period. We not only reduced the rate of increase but actually adopted hundreds of cuts this year. The budget year that started on October 1st has less spending than the previous year in 342 separate accounts of the Federal budget. Adjusted for inflation, this means a discretionary spending cut of 12 percent over the next 5 years, more than was done under the previous two administrations. If this continues, according to the Wall Street Journal, then by 1998, discretionary spending—that is the non-entitlement spending and discounting interest on the debt, the things that we make decisions on every year—will be less than 7 percent of our annual income, about half the level it was in the 1960's.

In addition to the discretionary spending cuts, our budget did reduce entitlements, making reductions in agricultural subsidies, asking upper income recipients of Social Security to pay more tax on their income, lowering reimbursements to Medicare providers, making other adjustments in Medicaid and in veterans' benefits. Now, all these cuts are already on the books. We are also cutting, with the help of the Vice President's National Performance Review, over 250,000 positions from the Federal payrolls, largely by attrition and early retirement over the next 5 years. We're finally attempting to reform the system in ways that will permit us to save billions of more dollars in discretionary spending through reform of personnel budgeting and, most importantly, procurement systems, if the Congress will authorize all three of those systematic reforms.

We also passed some taxes: a modest 4.3 cents-a-gallon gas tax, which so far has been barely felt because we have the lowest price in oil in many, many years, so the price of gasoline has actually dropped since the gas tax was put on. We also asked the top 1.2 percent

of Americans to pay higher income taxes because their incomes went up the most, and their taxes dropped the most in the previous 12 years. The corporate income tax on corporations with incomes above \$10 million a year was raised. Middle class families will pay slightly less taxes because, again, of the adjustments for inflation. And taxes were cut for 15 million families who worked for very modest wages as a dramatic incentive to get them to continue to choose work over welfare.

When Congresswoman Mezvinsky and her colleagues voted for this economic plan, they voted for your economic future, for lower deficits, higher growth, and for better jobs. They did vote to cut spending. They did not vote to raise taxes on the middle class. And frankly, the kinds of radio ads that have been—this is the only political thing I'm going to say today—but the kind of radio ads that have been run against her in this district do not serve the public interest because they do not tell the truth. If somebody wants to say that we should not have raised income taxes on the top 1.2 percent of the American people, let them advertise that on the radio. If someone wants to say that the corporate income taxes above \$10 million a year in income should not have been raised, let them advertise that on the radio. If someone wants to say that the gas tax was unfair, let them advertise that on the radio. But do not try to tell the American people there were no budget cuts and they paid all the tax increases, because that is simply not true. And we have a lot of work to do in this country and a lot of honest disagreements to have; we need not expend our energy on other things.

And if you don't believe that, read the front page of the Wall Street Journal this morning. That is hardly the house organ of my administration. *[Laughter]* Read the front page of the Wall Street Journal this morning talking about the unprecedented cuts that this budget made. It does not do anybody any good to continue to assert things about that economic plan that are not true. The markets had it figured out. That's why interest rates are down and investment is up. That's why inflation is down and more jobs have come into this economy in the last 10 months than in the previous 4 years. The markets figured it out. All the smoke and mirrors and radio ads in the world couldn't confuse the people that had to make investment decisions and read the fine print.

That's the good news. Now let's talk about the continuing problems, the real problems. The economic plan which the Congress adopted represents the red line. That's how much less the deficit will be. And the aggregate amount between these two lines is how much less our total debt will be by 1998. The yellow line represents where we can go, by conservative estimates, if the health care plan is adopted. You still have an operating deficit, and the national debt will still increase by this amount, but not by that amount.

So we are clearly better off with the economic plan. We will have to make further cuts, by the way, to meet this red line. We're not done with that. We will be better off still if we do something about health care—I'll say more about that in a minute—but there is still more to be done. The debt of this country now is over \$4 billion. That means our accumulated debt is more than two-thirds our annual income. It is important that the debt, as a percentage of our annual income, go down. It is way too high, much higher than it has been outside of wartime. It is important that the annual deficit, as a percentage of our income, go down. It will go down under this plan, but we can do more to try to reduce the aggregate debt and the deficit as a percentage of our income. Both of them are too high.

Now, let's look at the next chart here. I think you all have it out in the audience. This chart just basically shows where your money goes. When you pay Federal taxes or when the Government, on your behalf, borrows money, in debt, we spend 47.4 percent in entitlements—that is what we're here to talk about today—about 21 percent on defense, it's going down, as you'll see in a minute; about 18 percent on nondefense discretionary, which is being held constant; and about 14 percent in interest on the national debt.

Let's look at the next chart now. This chart gives you an idea of which spending categories are headed in which direction. Average annual real growth—now, I want to tell you what this means. I haven't lived in Washington very long so I still use ordinary meanings for words. So I'm not very good—*[laughter]* When you see "real" on a Government chart, that means adjusted for inflation. You'll never find that in a dictionary, but that is what it means. In other words, these are the numbers adjusted for inflation at a projected inflation growth of more or

less 3½ percent a year. If you look at that, you see defense is going down. Frankly, we're reducing it as much as I think we responsibly can and, in fact, more than we responsibly can unless Congress will pass the procurement reform so the Defense Department can buy what it needs for our national defense at more efficient prices. But I hope that will happen. Other entitlements—we'll come to that in a minute, what those other entitlements are—they're also going down relative to inflation. That is basically the entitlements for the poor and the veterans' benefits and agriculture benefits.

Nondefense discretionary is a little under zero, as you see. That's all the investments for education, for training, for technology, for defense conversion, for you-name-it, anything for infrastructure, for roads, anything we spend money on that we have an option not to spend money on that—we'll come back to that—is going down relative to inflation. If there were no inflation numbers here, it would actually be just a tiny bit above the line, but it is functionally zero. For all practical purposes, if I want to increase the amount of money, for example, we spend on Head Start in Pennsylvania by a million dollars, we have to cut something else by a million dollars. We are not increasing the aggregate amount of this kind of discretionary spending. Net interests will go up, and again, this is adjusted for inflation, so it is continuing to rise because the amount of the debt is continuing to rise.

Social Security will go up, again, adjusted for inflation. This is the population increase, effectively, in Social Security. There aren't new benefits being added, so there will be a couple of percent growth in population between now and 1998. So it will go up by the amount of increasing numbers of people on Social Security.

And look what happens to health entitlement. It's going up more than twice as much as Social Security, more than 3 times as much as net interest, and everything else is going down. Now that's what's happening. Let's go on to the next chart.

As the chart shows here, this is the new revenues we're getting in this year. Now, the new revenues include the tax increases that we just talked about. They're about 40 percent of that revenue growth. The rest of it's just ordinary increases in tax revenues to the Government coming from increasing employment or increasing incomes. So every year we get some revenue

growth. This revenue chart is about 60 percent ordinary revenue growth, 40 percent new taxes. As you can see, the whole thing goes to deficit reduction, interest increases, and entitlement increases. That's where the money went.

Eighty percent of the new revenues, including taxes and revenue growth, went to deficit reduction and interest increases; 20 percent of it went to entitlement increases. As you can see, that does not leave a great deal of room for any kind of future investments. This is something that presumably both Senator Kerrey and Congressman Penny will talk about today. But there is, I think it's fair to say, a broad consensus in the Congress among Republicans and Democrats, among liberals and conservatives, that there are some things on which we are not spending enough money to get us to the 21st century. We have put ourselves in a box after the last—trying to work our way out of this deficit business so that we do not have the flexibility to make those kind of growth-oriented investments in the public sector. That is a dilemma. So we have two continuing dilemmas, if you will: one, we've still got a deficit and a debt problem; two, there are things which literally over 80 percent of the Congress, both parties, would agree we should invest more in that we simply cannot invest more in because of the problem we have with the budget. Could we go on now to the next chart? Let's go on to the next chart.

Now, this gives you a picture of entitlement spending. And I know Alice Rivlin talked about this a little before, and she knows a lot more about it than I ever will, but I think it's worth going back over because this is an entitlements conference. So it's worth focusing on what an entitlement is and, when you hear people use that term, what they are.

So look at this. These entitlement programs are programs that provide benefits for people that have certain characteristics. People who meet the test of eligibility for the program get it, notwithstanding some previously budgeted amount for that program. That's why they're called entitlements. For example, someone who has paid into the Social Security Trust Fund along with his or her employer who is 65 becomes entitled to Social Security. You just go to the Social Security office with the documents that prove you're eligible, and you're going to get the check no matter how many other people qualify for Social Security. Since it's hard to

know in advance exactly how many people will apply for benefits, Congress doesn't set aside a specific amount of money as it does for the discretionary spending programs. Instead, it simply directs to Treasury to make payments to everybody who applies and qualifies for the benefits under the laws.

There are two main kinds of entitlements. And you can just see by looking up here what they are. They are the contributory entitlements, that is, you're entitled to something because you paid into it. It's contract oriented. Social Security is a contributory entitlement. Medicare is a contributory entitlement. Federal retirement is a contributory entitlement. You did the work; you put the money aside; you get it back.

Then there are the entitlements for those in need or entitlements that are in a special category because you can't predict how much is going to be needed every year. The entitlements for those in need would include AFDC, supplemental security income, the Medicaid program, medical care for the poor. Agriculture is in a separate category. It has been treated as an entitlement partly because it's so caught up in the global economy, it's impossible to predict from year to year how much of the support subsidies will be needed.

Now, the contributory retirements are sometimes called middle class entitlements because they benefit everybody, the middle class or, Mr. Peterson will tell you in a few minutes, the upper middle class or the wealthy. If you pay in, you get it back plus a cost of living increase. Now, the poor people's entitlement, I said, are mostly in the category of like AFDC and food stamps and Medicaid. But let me show you something about these entitlements, because most people, I think, don't know this: Social Security is 43 percent of the total; Medicare is 18 percent; Medicaid is 11 percent; Federal retirement is 8 percent; unemployment is 5 percent, obviously it goes up or down, depending on what the unemployment rate is and how long people are unemployed; food stamps are 4 percent; "other" is 11 percent. In the other, you have agriculture, veterans, supplemental security income, which is for lower income elderly people, and AFDC. The welfare program of this 11 percent is 2 percent. The average monthly welfare benefit in America is actually lower today, adjusted for inflation, than it was 20 years ago. The program is more expensive because there are more poor people. But I think it's

quite interesting to point that out. Most people are surprised to know that the welfare budget is about 2 percent of the entitlements or about 1 percent of the overall Federal budget.

Now, the entitlement programs for the needy, as you can see, make up about 12 percent of the whole budget or about a quarter of the entitlement spending. The biggest entitlements are Social Security and Medicare. They are about 61 percent of the total. When you add Federal civilian retirement and military retirement, you've got over two-thirds of the entitlements there.

Now, I think it's important to point out, just in passing, that behind every one of these entitlements there's a person. That's why it's so controversial when they're debated in Congress. It's not just organized interest groups. There are people who believe they are literally entitled to receive something back that they paid into. It is the middle class entitlements, that have united us and brought us together, that also have the strongest constituencies and provoke the biggest controversies when we get into dealing with this. And these programs are also very important in human terms.

I just might mention, too, if you look at Medicare, before Medicare, there was a good chance that Americans, when they got older, would need charity care, would simply do without health care. Today nearly 34 million people go to see a doctor or get medical care because of the Medicare program. Social Security has changed, literally, what it means to be old. In the beginning of 1985, for the first time in our history, the percentage of our elderly people who were above the poverty line was better than the percentage of the population as a whole. In other words, the poverty rate for the elderly was lower than the poverty rate of the general population.

It is very difficult to say that this was a bad thing. That was, I argue, a good thing. We should not view this whole program, in other words, as welfare. It is not a welfare program. Does that mean that there should be no changes in it? No, it just means that we should be very sensitive about the fact that this is something that has worked. Because of these programs, we are a healthier people. We are a more unified country. We treat our elderly with greater dignity by having allowed them to earn a decent retirement and to maintain a middle class standard of living, independent of whatever their chil-

dren are required to do and to make them more independent over the long run. This is a huge deal in a country where the fastest growing group of people, in percentage terms, are people over 80 years of age. This is a big deal.

Now, I recommended exposing more of the incomes of the top 10 or 12 percent of Social Security recipients, somewhere in that range, to taxation, and Congress adopted a modified version of that plan. That was an entitlements move. I thought it was an appropriate thing to do because a lot of people in upper income levels, by definition, have other sources of income, too, and will get back what they paid into Social Security plus reasonable interest growth in a reasonably short period of time. So I thought it was fair to do that.

We recommended upper income people pay more for Medicare benefits. I think that is reasonable to do because the Medicare payment itself only covers a small percentage of the total cost of Medicare. Where I think we should draw the line, however, is in trying to have happen to the elderly middle class what is happening to the nonelderly middle class. All over the world today, and certainly in all the advanced countries of the world, the middle class is under assault. Earnings inequality has increased in the last 12 years. It is becoming very difficult for working people to sustain a middle class way of life. We are going to have to all change. We've got to change our Government policies. People are going to have to acquire much higher levels of skill and be committed to training for a lifetime. There are a lot of things that have to be done. But the general policy point, I think, is valid. We do not want to deal with a problem like the deficit which is aggravated because middle class people's incomes have stagnated by having the same sort of income stagnation for the middle class elderly.

So I think there are things we can do to deal with this. They will be discussed later. We did some things to deal with the entitlements in the last budget. But let us not say that it was a bad thing to dramatically reduce poverty among elderly people or that it is a bad thing for our consumer economy to maintain a large number of middle class people in their retirement years. That means that we have to have honest, specific, and clear discussions of this, as unencumbered as possible by these sort of rhetorical bombs flying in the air from the left and the right, just talking it through and listen-

ing to each other and asking ourselves: What will be the practical impact of proposed change A, B, or C, and will we all be more secure? Will our children and our grandchildren be better off? Will this help to stabilize and increase the middle class ballast of our society? And I think we are on the verge perhaps of having that discussion in no small measure because of this kind of conference.

Now, let's go on, and let's look at what I think the real problem in the entitlements is, is clearly the danger signal for the long run. Let's look at the next chart. As you can see, 20 years ago, health spending and entitlements, Medicare and Medicaid, 13 percent of the total; 1983, 19 percent of the total; 1993, 30 percent of the total; 2003, 43 percent of the total. Keep in mind—and this is with the number of elderly people going up like crazy, so the population of people drawing Social Security is going way up, right? And still, look at that. So clearly, that is the portion of Government spending that is out of control. That is the portion of entitlement spending that is out of control. Now let me just illustrate it by a couple more charts real quickly.

Let's go to the next one. Nondefense discretionary outlays are going down as a percent of our income. Social Security outlays as a percentage of our income is solid, stable here. It could go up some in the next century, is projected to, when all the baby boomers go in. I heard Ms. Rivlin refer to that as the President's generation. I am the oldest of the baby boomers. But still, you see, it's stable as a percentage of the gross national product. And the Congress, in 1983, after the bipartisan commission on Social Security made recommendations for fixing Social Security, attempted to keep this number stable by gradually raising the retirement from 65 to 67, by about a month a year over a prolonged period of time starting just in the next century.

Now let's go on to the last one. This chart shows you that unlike Social Security and discretionary spending, medical spending is going up like a rocket. Medicare and Medicaid have tripled since 1982. Medicare and Medicaid will soon cost more than Social Security. And next year for the first time—in large measure because Medicaid is a State-Federal matching program, so that every State has to put in money along with the Federal Government—next year, for the first time, States will spend more money

on health care than education. And since I supported this—I see other present and former Governors around this table. In the 1980's we said to the National Government, "You've got a problem with the deficit. We'll spend more on education; you do what you have to do to deal with your other problems." This is a very serious danger signal. If you want the States to spend more educating people, getting children to the point where they can compete, training the work force—to have the States all of a sudden spending more on health care than education is a very serious danger signal for the distribution of responsibilities between the State and the Federal Government.

Now, we have some options. If we want to control Medicare and Medicaid spending, basically we have some options. And to be fair, again I want to say, during the 1980's under the Reagan and Bush administration, the two administrations and the United States Congress did try to cooperate on several things to control Medicare and Medicaid spending. They took total pricing controls away from hospitals and doctors. They tried to do a number of things. But what happened? If you control the price of a given product in this environment, what happens? Providers can provide more products, I mean, more of the same product, right? You increase the volume if you lower the price, and the money still goes up. That's one problem.

Secondly, poverty increased in the eighties and is continuing to increase among the poor, both the idle and the working poor, and that drives the Medicaid budget up. So controlling unit prices didn't work. The other thing you could argue that we could do is to try to control the categories within Medicare and Medicaid, basically, just spend less. In other words, even though they're entitlements, just say we are going to spend less on certain categories by both controlling volume and price. Is there a problem with that? Yes there is. What is it? Any doctor or hospital will tell you that there has been a lot of cost shifting in this health care system, and it's one of the causes of rising prices and inefficiency. Cost shifting largely occurs in two ways: when hospitals have to care for people who don't have any insurance or when they provide Government funded health care at less than their cost of providing the service, they shift the cost onto the private sector.

So we could bring this deficit down, we could do this—I want to—let's 'fess up, we could do

this. We could just cut how much we're going to spend on Medicare and Medicaid, even though it's an entitlement, in terms of price per unit and volume. We can just take 'er down. But if we do that, what will happen? Those costs will be shifted by the health care providers to the people who already are providing insurance with the impact that it will be a hidden tax increase on businesses and on employees. Employees will probably see it in not getting pay raises they otherwise would have gotten. Businesses will see it in spending more on health insurance premiums and having less to reinvest in the business or to take in profits. I don't think it is a fair thing to do. That is why our administration has argued that if you really want to solve this problem, you have to go back and have comprehensive health care reform.

This is the only country in the world that doesn't find a way to solve that issue—the only advanced nation, that is, that doesn't give basic health care to all its citizens within a framework that controls costs in the public and private sector. We're spending 14.5 percent of our income on health care. Nobody else is over 10; Germany and Japan are at 9. The health outcomes of other countries are roughly similar to ours. We can't get down to where they are because we spend more on technology and more on basically costly treatments than other countries do and more on medical research. And that's fine. And we can't get down to where they do because we have more violence and higher rates of AIDS and other very expensive diseases than other countries. But we could do better. And unless we do better in an overall way, in my judgment, we are going to be in trouble.

Now, we had a nonpartisan analysis by the respected firm of Lewin-VHI last week about our health care plan. This company does research on the economics of health care for businesses, unions, consumer groups. It includes people who served in the Reagan and Bush administrations as budget and health officials. They say that our plan will reduce the deficit. We think it will reduce it even more than they will. I won't get into the details of that today. We're here to talk about entitlements. The point I want to make is I believe you don't get entitlement control, you don't get ultimate deficit control unless you do something about Medicare and Medicaid. I believe you don't get that done just by cutting Medicare and Medicaid unless

you want to hurt the private sector. Therefore, I think we have to have some sort of health reform. That's what I believe. You have to decide if you believe that, but I think it's important.

Let me just close with this. This is the lead editorial in this morning's Washington Post. It says—on the entitlements mess—and it says as follows: “Nor have all the entitlements been badly behaved in recent years in terms of costs. The health care programs are the budget busters. By contrast Social Security costs have risen in stately fashion with population and inflation. And the costs of all the other entitlements taken together, including those that support the poor, has declined in real terms.” Remember what “real” means in Washington, less than the rate of inflation. “The real Federal budget problem”—that's the normal word “real”; here they mean real like you do—“the real Federal budget problem isn't entitlements, it's health care.”

So I say to you we can talk about these other entitlements, and we should. As we talk about them, let us not make our middle class squeeze problem worse than it is already. That's one of the profound problems that is driving this country. One of the reasons that Senator Wofford is in the Senate today is because of

the anxieties of middle class workers in Pennsylvania.

Let us continue to work on this deficit. Let us realize the deficit is too big and the debt is much too large as a percentage of our gross national product. Let us realize that there are two problems with it. One is the deficit, and the other is we aren't investing enough. But on the entitlements issue, I would argue the real culprit is health care costs, and we can only address it if we have comprehensive health care reform.

And let me close by saying one more time, if Marge Mezvinsky hadn't voted for that budget, we wouldn't be here celebrating economic progress or talking about entitlements. We'd still be back in Washington throwing mudballs at each other. And I respect her for that, and I'm glad to be here today.

NOTE: The President spoke at 10:45 a.m. at Bryn Mawr College. In his remarks, he referred to Mary Patterson McPherson, president of the college; Alice M. Rivlin, Deputy Director of the Office of Management and Budget; and Peter G. Peterson, former Secretary of Commerce and president of the Concord Coalition.

Remarks on the Russian Elections and an Exchange With Reporters in Bryn Mawr

December 13, 1993

The President. I'd like to, first of all, congratulate the Russian people on having their first parliamentary election—it was a clear democratic exercise throughout the country—and to say how very pleased I am that the new constitution was adopted because this now lays a foundation for a long-term—a legitimacy for democracy and for the expression of popular will that will not be just solely dependent upon the occasional election for President. So I think that is also very, very good.

In terms of the results of the parliamentary elections themselves, I am informed by our people there that we don't yet really know what the results are going to be because a lot of the votes and a lot of the major areas have not been counted yet and it's not clear what the final distribution will be.

I will say this, I'm not particularly surprised by the showing of the ultranationalist party, because the Russian people have suffered a lot in the last few years. And you saw the same sort of thing happening in Poland, where there had been a lot of economic adversity. It's hard for people to go through these changes and not have a certain percentage of them vote for candidates which articulate protests most forcefully. So I wasn't particularly surprised.

I do think that it will be possible for a majority of people who favor democracy and don't favor a dramatic change of course in foreign policy for Russia to put together a coalition in the Parliament who can work with the President and go forward. So I'm quite hopeful.